

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re:	§	
	§	
VIVALDI MUSIC ACADEMY, LLC	§	Case No. 19-33978-H3
	§	
Debtor.	§	Chapter 11

**EMERGENCY MOTION FOR INTERIM ORDER AUTHORIZING THE USE OF
EXISTING (I) CASH MANAGEMENT SYSTEM AND (II) BANK ACCOUNTS**

THE DEBTOR HAS REQUESTED EMERGENCY CONSIDERATION OF THIS MOTION. ACCORDINGLY, THE COURT MAY ACT EXPEDITIOUSLY ON THE MATTER. IF THE COURT SETS THIS MOTION FOR AN EMERGENCY HEARING, ATTENDANCE AT THIS HEARING IS NECESSARY TO PRESERVE YOUR RIGHTS.

THIS MOTION SEEKS AN ORDER THAT MAY ADVERSELY AFFECT YOU. IF YOU OPPOSE THIS MOTION, YOU SHOULD IMMEDIATELY CONTACT THE MOVING PARTY TO RESOLVE THE DISPUTE. IF YOU AND THE MOVING PARTY CANNOT AGREE, YOU MUST FILE A RESPONSE AND SEND A COPY TO THE MOVING PARTY. YOU MUST FILE AND SERVE YOUR RESPONSE WITHIN TWENTY-ONE (21) DAYS FROM THE DATE THAT THIS MOTION WAS SERVED ON YOU. YOUR RESPONSE MUST STATE WHY THE MOTION SHOULD NOT BE GRANTED; IF YOU DO NOT FILE A TIMELY RESPONSE, THE RELIEF MAY BE GRANTED WITHOUT FURTHER NOTICE TO YOU. IF YOU OPPOSE THE MOTION AND HAVE NOT REACHED AN AGREEMENT, YOU MUST ATTEND THE HEARING. UNLESS THE PARTIES AGREE OTHERWISE, THE COURT MAY CONSIDER EVIDENCE AT THE HEARING AND MAY DECIDE THE MOTION AT THE HEARING.

EMERGENCY RELIEF HAS BEEN REQUESTED AND IF THE COURT CONSIDERS THIS MOTION ON AN EMERGENCY BASIS, THEN YOU WILL HAVE LESS THAN TWENTY-ONE (21) DAYS TO ANSWER. IF YOU OBJECT TO THE REQUESTED RELIEF, OR IF YOU BELIEVE THAT EMERGENCY CONSIDERATION IS NOT WARRANTED, YOU SHOULD FILE AN IMMEDIATE RESPONSE.

To the Honorable Eduardo V. Rodriguez:

Vivaldi Music Academy, LLC (hereinafter "VMA"), Debtor and Debtor-in-Possession, by and through its undersigned proposed counsel, hereby files this emergency motion (the "Motion"), for order authorizing the interim use of existing (i) cash management system and (ii) bank accounts. In support thereof, VMA would show as follows:

Emergency Motion for Order Authorizing Continued Use of Cash Management & Bank Accounts
Vivaldi Music Academy, LLC 19-33978-H3

SECTION I
JURISDICTION & VENUE

1. This Court has jurisdiction over this Motion pursuant to 28 U.S.C. Section 157 and Section 1334. This Motion is a core proceeding pursuant to 28 U.S.C. Section 157(b). Venue is proper pursuant to 28 U.S.C. Section 1408 and 1409.

SECTION II
STATEMENT OF THE CASE & EMERGENCY CONSIDERATION

2. VMA filed a voluntary petition for relief on April 1, 2019 under Chapter 11 of Title 11, United States Code 11 U.S.C. § 101 *et seq.* (the “Bankruptcy Code”). The Debtor’s case is pending before the United States Bankruptcy Court for the Southern District of Texas, Houston Division.

3. Pursuant to Bankruptcy Code 1107(a) and 1108, the VMA is operating and managing its property as debtor in possession. No trustees or examiners have been appointed in this case. VMA is a Texas limited liability company incorporated on June 25, 2012. VMA is a manager managed limited liability company whose manager is Zeljko Pavlovic (“Pavlovic”), who has managed VMA since its inception and is also the sole member. VMA provides private music lessons in stringed instruments and private voice lessons in the Memorial and West University areas in Houston, Texas and operates three locations. VMA employs roughly 44 faculty members.

4. VMA currently maintains two depository accounts at Chase Bank and Regions Bank and utilizes a merchant processor to process credit card transactions before depositing funds into the depository accounts.

SECTION III
RELIEF SOUGHT & LEGAL AUTHORITIES

5. VMA seeks authority to maintain its existing cash management system and its depository accounts at Regions Bank and Chase Bank. Pursuant to 28 U.S.C. § 586(a)(3), the United States Trustee has established certain operating guidelines for chapter 11 debtors-in-possession. These guidelines require debtors-in-possession to, among other things, (i) close all existing bank accounts and open new debtor-in-possession bank accounts, (ii) establish one debtor-in-possession account for all estate funds required for payment of taxes, including payroll taxes, (iii) physically set aside all funds required by law to be withheld from employees or collected from others for taxes, (iv) open a new set of books and records as of the petition date, and (v) use new business forms indicating the debtor in possession status of the chapter 11 debtor. Should VMA close its existing bank accounts and reopen debtor-in-possession, VMA will experience a lag in receipt of deposits from its credit card processor.

6. VMA requests that the Court enter an order authorizing the maintenance and continued use of its existing cash management system, bank accounts, and existing business forms as described above. Section 105 of the Bankruptcy provides that the Court may "issue any order, process or judgment that is necessary or appropriate to carry out the provisions of this title." 11 U.S.C. § 105. Granting the requested relief under section 105 of the Bankruptcy Code is appropriate as altering VMA's existing cash management system will severely delay scheduled payments and receipt of rental income. Furthermore, bankruptcy courts routinely authorize debtors to continue use of their pre-petition cash management system as well as their existing bank accounts, books, records, and business forms. *See In re Baldwin-United Corp*, 79 B.R. 321, 327 (Bankr. S.D. Ohio 1987).

SECTION IV
CONFERENCE WITH U.S. TRUSTEE

7. Counsel for VMA was unable to contact the office of the United States Trustee due to the emergency filing of this chapter 11 bankruptcy case, however, counsel for VMA intends on conferring with the United States Trustee regarding all first-day motions filed in this case before any hearings to consider such motions. Due to the emergency nature of the requested relief, VMA requests that this Court grant an interim order and set this motion for final hearing.

WHEREFORE, Vivaldi Music Academy, LLC respectfully requests that this Court enter an order authorizing the interim use of existing i) cash management ii) bank accounts and iii) for such other relief as is equitable and just.

Dated: July 18, 2019

CORRAL TRAN SINGH, LLP

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**PROPOSED ATTORNEYS
FOR VIVALDI MUSIC ACADEMY, LLC**

CERTIFICATE OF SERVICE

I hereby certify that on July 19, 2019 the following parties below and attached creditor matrix were served a true and correct copy of the foregoing Motion via First Class Mail, facsimile, or electronic notice.

/s/Susan Tran
Susan Tran

VERIFICATION OF TRANSMITTAL TO U.S. TRUSTEE

The undersigned, an attorney, under penalties of perjury, verifies that a copy of the Motion was delivered to the United States Trustee on July 18, 2019 by electronic delivery by the clerk of the Bankruptcy Court.

/s/Susan Tran
Susan Tran